

Single Stock Fund

SSF Basics



Objective

**Objective: Provide an overview of Army's
Single Stock Fund (SSF) Initiative**

**Standard: Student will be able to answer
Single Stock Fund questions**

Topics

- **Four SSF Tenets**
- **Army Working Capital Fund**
- **Vision and Campaign Plan**
- **Enablers**
- **Conversion Execution and Demo Results**
- **Shaping the SSF End-State Inventory**
- **Credit Impacts**
- **Automation Overview**
- **SSF Implementation Schedule**

Single Stock Fund Definition

An Army business process re-engineering initiative aimed at:

... **Improving Warfighter Support:** Worldwide Access to stock;
AWCF Funds ASLs

... **Consolidating** separate wholesale and retail elements into a single fund

... **Integrating and simplifying** supply and financial processes

... **Integrating** logistics and financial **automated information**



Supporting Soldiers **Changing the Army**

Four Key SSF Tenets

Changing Business Processes

- **Single Point of Sale**
 - Linking O&M Customers to the National Domain
- **Single Credit Process**
 - Eliminating current tiered credit systems
- **Integrated Requirements Determination**
 - National visibility and decision-making
- **Enable National Maintenance Management**
 - Fixing right stuff, right place, right standard

How We Got Here Historical Perspective

Continuous
CSA
Involvement
&
Commitment

OSD
Directed
Action

Impending
Financial
Crisis

VCSA
Decision Nov
97

1989

1997-1998

- Defense Management Review Decision 924J

- Financial Unpredictability
 - Potential AWCF cash crisis

- Field Requests
 - Simpler, more predictable credit system
 - Interfaced logistics and financial systems
- Corporate Rqt
 - Integrated requirements determination

Wholesale Assets



Two
separate
funds ...

Retail Installation Assets

Sale

User



Sale

Non-
integrated
systems ...

CCSS

SARSS

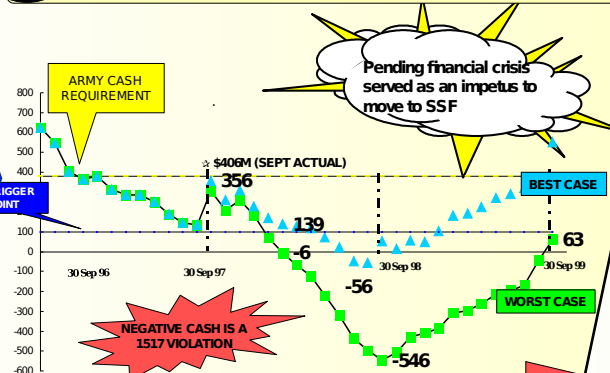
ULLS/

SAMS



Assistant Secretary of the Army - Financial Management & Comptroller

ARMY WORKING CAPITAL FUND (AWCF)
FY 98 CASH PROJECTIONS



POSITIVE ACTION REQUIRED TO AVOID WORST CASE

Milestone 1 & 2

SSECT-00-

THE PROBLEM:

**Logistics & Financial
System
Complexity**

[illegible]

Leadership Vision

Essential Part of CSA and DCSLOG Future Vision

“We will aggressively reduce the logistics footprint...Seek logistics reductions ... and **Revolutionize** the way in which we transport and **sustain** people and **materiel**”

Chief of Staff Army
Combat Support
(CS)/Combat Service
Support (CSS)
Transformation
Log Support
Log Vision

RML: Basic Tenets

- **Single Logistics System**
- Distribution Based Logistics
- Rapid Force Projection
- **Total Asset Visibility**
- Agile Infrastructure
- Adequate Logistics Footprint

DA DCSLOG
Revolution in Military
Logistics (RML)

Single Logistics System:

- **Tears down ownership barriers**
- **Eliminates sub-optimization**

Transforming the
Institutional
Army
Through Army-Wide
Log/Spt
Provider

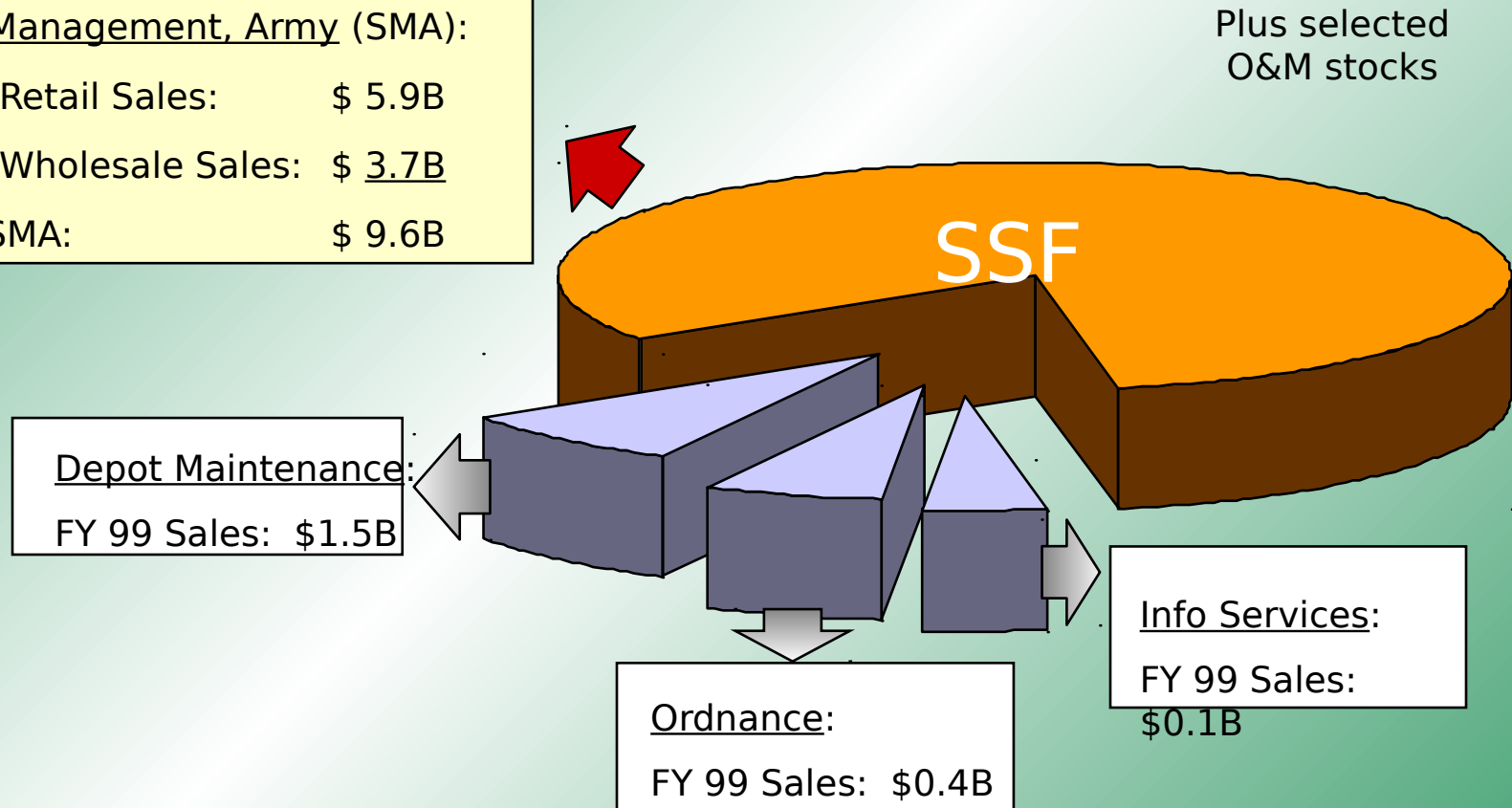
RML Business
Process &
Organizational
Change

Army Working Capital Fund

- Inventory Funded by the AWCFF-SMA:
 - Secondary Army Managed Items (Excluding Class V)
 - Selected Non-Army Managed Items

Supply Management, Army (SMA):

- FY 99 Retail Sales: \$ 5.9B
- FY 99 Wholesale Sales: \$ 3.7B
- Total SMA: \$ 9.6B



(The WCF established in 1992 under the authority of Title 31 USC, Section 2208, consolidates most of the stock funds and industrial funds used to support the military services. The Defense Working Capital Fund (DWCF) consolidates previous stock fund and industrial funded activities under Treasury Account symbol 97X4930.)

SSF - Depends on Where You Are...

RM The Army Single Stock Fund

DOL The Army Single Stock Fund

AMC The Army Single Stock Fund

WarFighter The Army Single Stock Fun

The Army Single Stock Fund Program

Single Stock Fund

What it is!

- Army initiative that tears down logistics and financial ownership barriers

What it is not!

- A substitute for the Army's Resource Allocation Process
- The end state for Logistics & Financial Information Technology Systems

Varying Perspectives

Impacts From a Field Perspective



- **Changed Inventory Ownership**
- **Reduced ability to generate and migrate funds**
- **Changed credit flows (eliminating retail-level credits)**
- **National direction of General Support (GS) Repair**
 - **Workforce associated with GS repair funded by AWCF vs O&M**
 - **All repairs based on National need**
- **Changed billing procedures, billed from wholesale to O&M customer**

Benefits From The Army Perspective



- **Modernized Army Supply System**
 - **Merged Retail and Wholesale stocks**
 - **Optimized stockage of inventory**
- **Integrated Requirements Determination Processes**
- **Offset procurements through redistribution of excess inventory Army-wide**
- **National Maintenance Management**
- **Streamlined and improved efficiency of AWCF Financial Management processes**
- **Elimination of redundant financial**

SSF Campaign Plan

APPROVED BY
VCSA, 18 NOV 97

- A Phased Approach -

2 Key Pacing/Risk
Items

- PPBES (Time
Driven)

- Automation

EVENT

DRIVEN...

OCT 97

OCT 99 (NOV 00)

OCT 00 (NOV 00)

OCT 01

DOL/AWCF

OMA Retention System

MILESTONE 0 CONCEPT

- Maintain Fiscal Solvency & Prep for SSF Implementation

TASKS

- PM Appointed
- Implementation & Analysis Plans Complete
- CCSS/SARSS/STARFIARS Interface & Visibility
- Credit/Pricing Rules Established
- Business Rules: Pers & Mgmt
- POM Adjustment/Efficiency
- Offset/Safety Valve

END STATE

- Successful Demonstration
- Automation Credit rules Approved

MILESTONE 1 CONCEPT

- Incorporate Theater, Corps AWCF Assets into USAMC Managed SSF

TASKS

- NSMM Implemented
- Theater Costs Associated w/AWCF Borne by AWCF
- One Point of Sale
- Integrated Requirements Determination Process
- POM Adjustment/Efficiency
- Offset/Safety Valve

END STATE

- Demonstration of Integrated Requirements Determination Process
- Functioning Fiscal Process

MILESTONE 2 CONCEPT

- Incorporate Non-Deployable Corps and Theater O&M Retention Stocks Into SSF

MILESTONE 3 CONCEPT

- Incorporate All O&M Stocks Above PLL/Shop Stock Into SSF

Nov 00
CSA Decision

Milestone 1 & 2

SSFCT-00-

Business Process Changes

Single Stock Fund - Our Vision

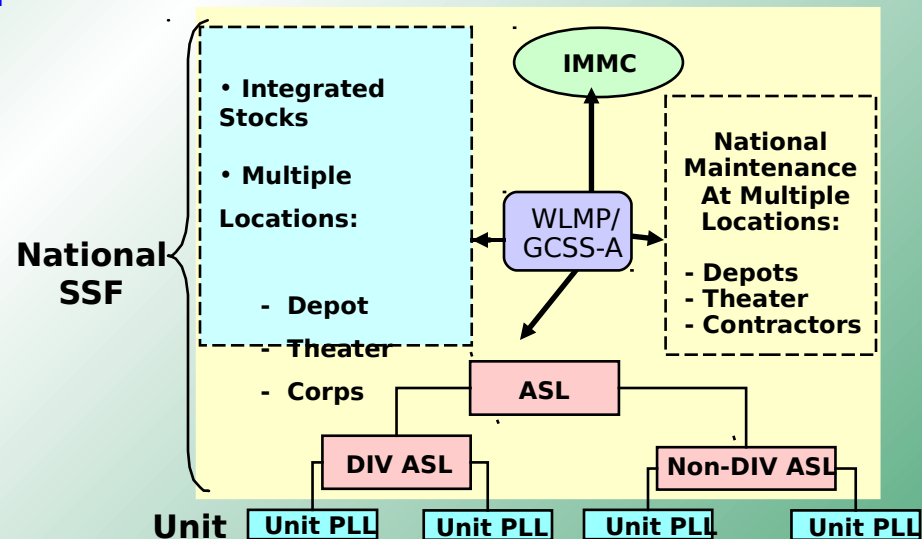
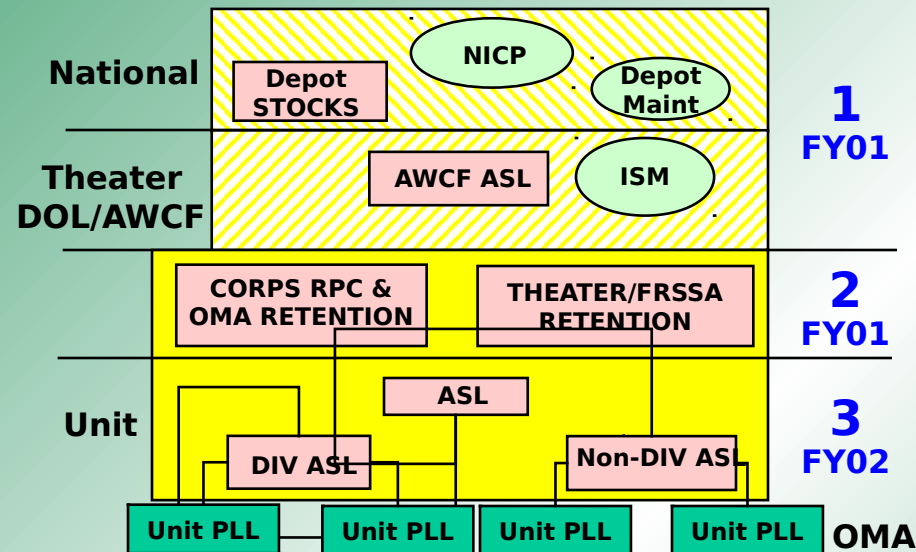
PHASED

APPROACH

WHERE WE ARE

WHERE WE'RE GOING

MILESTONES



- **Allows Better Management of Army Inventory**
 - Provides a Single Point of Sale Resulting in Fewer Financial Transactions
 - Simplified Credit Policy
 - Significantly Enhances Smarter Repair/Buy Decisions
- **Critical Enabler For Future Business Process Changes**

AMI/NAMI

- **Army Managed Items (AMI)**
 - Not same as Aviation Intensively Managed Items (AIMI)
 - Items that are managed by ARMY
- **Non Army Managed Items (NAMI)**
 - Managed by other Services or
 - Defense Logistics Agency (DLA) items
 - General Service Administration (GSA) items (desks, bookshelves)
 - Includes
 - Non-SARSS NAMI (clothing, medical)
 - Other NAMI not managed by NAMI CBU

Identifying AMI/NAMI Items

- **AMI**

- In SARSS catalog data, first character of RIC SOS "A," "B," and "C"
- Managed by Army Materiel Command Major Support Command, e.g., Tank and Automotive Command, etc...

- **NAMI (Item is listed in the Army portion of the FEDLOG)**

- In the Standard Army Retail Supply System (SARSS), identified by RIC SOS = "E," "F," "G," or "S"
- Typically a DLA or GSA Item

- **Other**

- Items where the Army is not registered as a user....

NAMI CBU (TACOM-RI)

- **Commodity Business Unit (CBU)**
 - Reallocates AWCF NAMI items
 - Directs movement of NAMI to satisfy Army requests
 - Passes unfilled requests to DLA/GSA/etc
 - Avoids additional purchase of DLA items

NAMI Included in SSF

- **Those items supported via the SARSS and/or AMCISS**
- **NAMI CBU assigned the mission to support this materiel for asset and financial management**
 - Budget and Fund for Materiel
 - Grant credit for NAMI
 - 3% for Serviceable excluding Field Level Repairable
 - Screen Army requisitions for fill from redistribution, fund and pass replenishment requisitions not filled from re-distribution to source of supply
 - Offer excess to Operations Support Command to fill un-funded requirements

NAMI Excluded From SSF

19 May 99
Decision

**SSF ESC
approved
excluding from
SSF NAMI
managed by
systems other
than SARSS &
Army Materiel
Command
Installation**

Supply System

(AMC) Milestone 1 & 2

<u>Systems</u>	<u>Action</u>
<u>ACIIPS</u> Army Clothing Initial Issue Point System	Transfer to DLA (DWCF)
<u>AFMIS</u> Army Food Management Information System	Transfer to DWCF
<u>FAS</u> Fuels Automated System	Transfer to DLA (DWCF) <i>(OSD directed DLA fuel mgt Dec 91)</i>
<u>IFS</u> Integrated Facilities System	O&M Funded <i>(Non-GSA/DLA standard commercial items)</i>
<u>TAMMIS</u> Theater Army Medical MgtInfo System	Transfer to DLA (DWCF) <i>*(Redstone Arsenal Inventory to Defense Health Program O&M Activity)</i>

SSFCT-00-

Implementation Enablers

- **Demonstration successfully completed**
- **Budget adjustments and credit process in place**
- **Reimbursement procedures for AWCF Supply and Maintenance Support developed**
- **Automated systems are linked**

Army Credit Policy

Yesterday

Complex Tiered, Credit Process

Wholesale Credit

- NSN-by-NSN
- Changes IAW NAP

Retail Credit

- DA Alternate Credit
- Determined by RAC

- MACOM Retained Credit

- MATCAT
- IAW bottoms-up Net Asset Posture

Currently 104 NAM
FLRs on active
repair programs

1 Oct 00

Single Process

AWCF-SMA Credit

- NSN-by-NSN
- LOCKED Annually
 - Serviceable
 - Unserviceable
 - AMI/NAMI
- AMI:
 - Serviceable: AMDF price - surcharge
 - Unserviceable: varies, based on National need
- NAMI:
 - General Rule:
 - Serviceable: 3%
 - Unserviceable: 0%
 - FLR on active repair program:
 - Serviceable: 83%
 - Unserviceable: 57% (historical average of unit price - loaded repair costs)

- Stable
- Predictable
- Simple

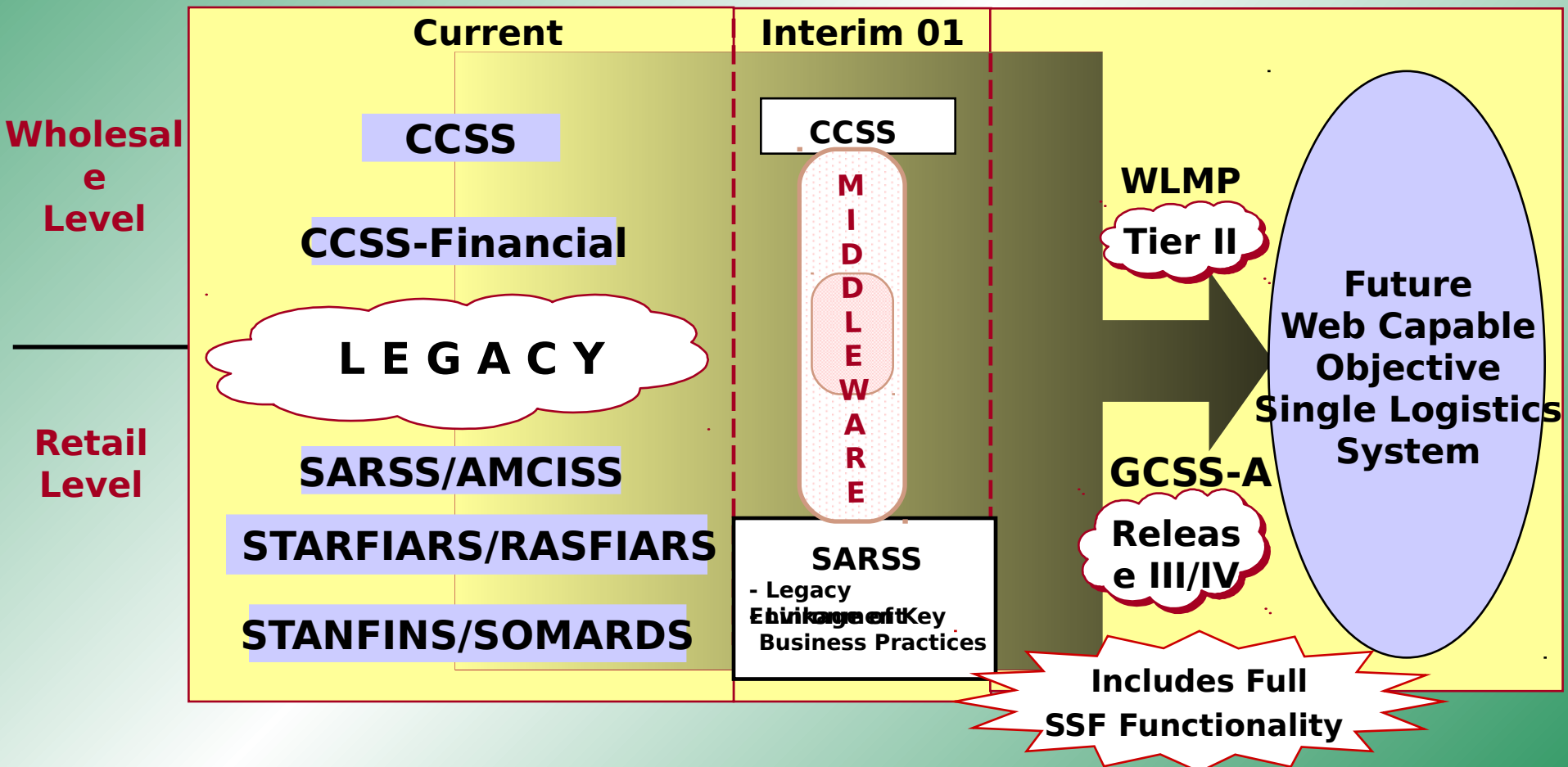
Milestone 1 & 2

SSECT-00-

Automation Overview

Process Changes Embedded In Our Automation Systems

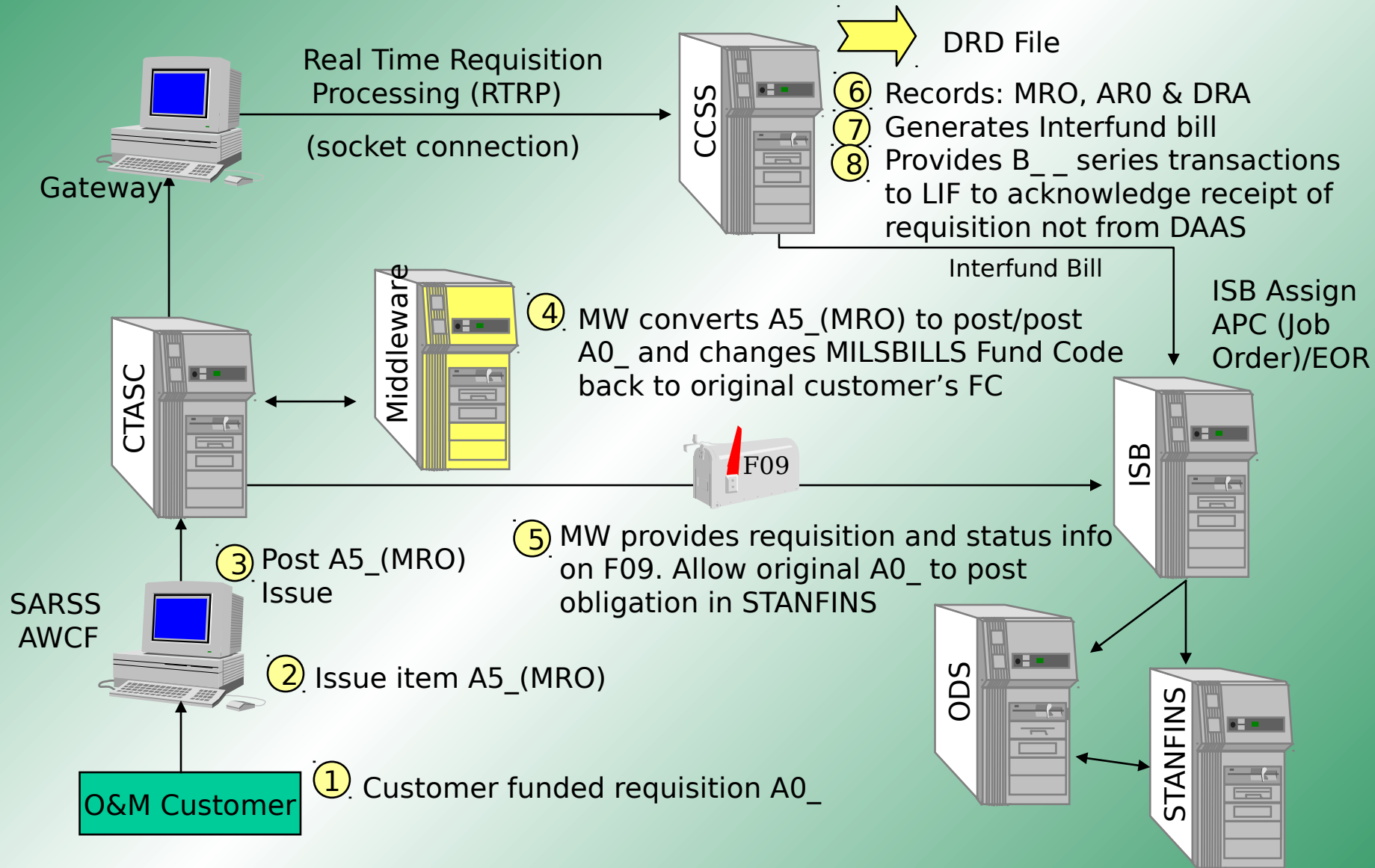
At End State, SSF delivers “Seamless Logistics and Finance Systems with a Single Manager Supported by a Single Automation Architecture”



Milestone 1 & 2

SSFCT-00-

AMI Dedicated Requisition: Total Fill from AWCf



Demo Results

- **Installations are operating in the SSF environment**
 - ➔ Requisitions flowing normally
 - ➔ Financial transactions processing
 - ➔ Retail (STARFIARS) General Ledger eliminated
 - ➔ National Manager has visibility of AWCF Stocks
- **Multiple billings and multiple credit transactions eliminated**

Bottom Line: Accomplished goal and met key exit criteria.

SSF Demo Statistics

- Total lines capitalized: 5,667
- Total \$ value of RSF capitalized: \$48 M
- OST Improved over FY 99 baseline for all sites
- Total # of AWCF requisitions processed: 16,677
- Total # of requisitions (O&M/AWCF) thru MW: 70,000
- Total # of items repaired and returned to stock: 421/465 (91%); 44 items were washed out/DRMO
- Total \$ value of non-SARSS NAMI: \$97 M
- Credit processing goal of 7 days: met Oct 00

What Demo Achieved

Staff worked through issues to get it right for the rest of the Army

Demo Sites Operating Under SSF Supply, Maint & Financial Procedures

AMC

FORSCOM

Identified System Problems

- Credit
- End-of-Day

Identified Procedural Issues

- Catalog synchronization
- Work loading procedures
- DoDAAC/RIC
- Synchronization of financial systems

Validated Fixes

- Automation
- Procedural

Captured lessons learned

- Training Packages
- Systems & procedure enhancements

Smoother Army-Wide Implementation!

✓ \$48.3M of Inventory Capitalized

✓ 70K requisitions processed

✓ 3 General Ledgers closed

Milestone 1 & 2

SSFCT-00-

SSF Metrics Plan

Metrics are not
SSF unique, they
are standard
measures

Performance

Benefits

Metrics Oversight

- Monthly Readiness Reports (HQDA)
- AWCFF Requirements Review Group (ABO/PAED)
- Qtly Army Performance Review (ASA FM&C)

Senior Leadership Scorecard

- **Readiness Indicators:**
 - OR Rates, OST/CWT, backorders, etc.
- **AWCF Financial Indicators:**
 - Sales, credit, etc.
 - Surcharge changes
- **Inventory Indicators:**
 - Dollar Value of RO & inventory

Funding Issues Covered:

- \$200M in cost avoidance
- \$300M plus up to OPTempo \$500M

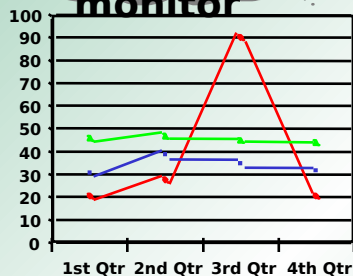
SSF

Logistics &
Financial
Performance
Metrics

Benefit
Indicators

Cost of supply
down 4% from
FY 00

SSF GOWG
will
monitor



Milestone 1 & 2

SSECT-00-

Conversion Execution


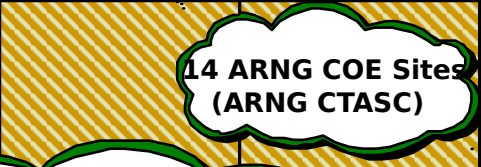
Key Events

- **Conduct logistics and financial reconciliation**
- **Clear up financial in-transits**
- **Turn off excess reporting until conversion**
- **Conduct ASL Review Board**
- **Stop retrograde turn-ins (Blackout) C-15 and requisition processing (Brownout) C-10**
- **CCSS freeze on all backorders until conversion**
- **Conduct wall-to-wall inventories**
- **Conduct closed cycle conversion procedures**
- **Complete DODAAC RIC validation**

Milestone 1 & 2

SSFCT-00-

SSF Implementation Schedule

	2000			2001			
	Nov		Dec	Jan	Feb	Mar	
Hub CTASC	TRADOC Ft. Benning	FORSCOM Ft. Hood	FORSCOM Ft. Bragg	USAR 55th MMC	EUSA 19th TSC	USAREUR 3d COSCOM	USARPAC Pearl
Hub CTASC-Supported Theater/Installations	Harbor ✓ Ft. Huachuca ✓ Ft. Gordon ✓ Ft. Leavenworth ✓ Ft. L. Wood ✓ Ft. Jackson ✓ Ft. Lee ✓ Ft. Knox ✓ Ft. Detrick	• Ft. Hood • Ft. Carson • Ft. Riley	• Ft. Bragg • Ft. Stewart • Ft. Polk • Ft. Drum • Ft. Campbell	• Ft. Belvoir • Ft. Dix • Ft. Devens • Ft. Meade • Ft. Myer • Ft. A.P. Hill • DSSW • USMA	• Waegwon • Pusan • Cp Humphrey • Yongsan	• Kaiserslautern • Baumholder • Pirmasens • Wurzburg • Hanau • Boeblingen • Mannheim	• Ft. Wainwright • Ft. Richardson • Sagami Depot • Camp Kinser • Ft. Shafer • Schofield Bks
Other Tactical Installations and CTASCs	✓ Ft. Bliss (Ft. Hood CTASC)	• Ft. Irwin, Ft. McPherson (Ft. Lewis CTASC) • Ft. Benning, Ft. Eustis (Ft. Benning CTASC)	• Ft. Rucker (Ft. Benning CTASC) • Kansas ARNG COE (ARNG CTASC) - disconnect & reconnect	• Ft. McCoy (321st MMC CTASC)			• Ft. S. Houston (Ft. Hood CTASC)
AMC Sites			• Ft. Monmouth • Detroit As'nl • Picatinny As'nl	• Aberdeen PG • Dugway PG • White Sands PG • Yuma PG			

Implementation Status

- 20,375 lines capitalized
 - \$100.1M inventory cost
- Note: Includes Demo cumulative figures

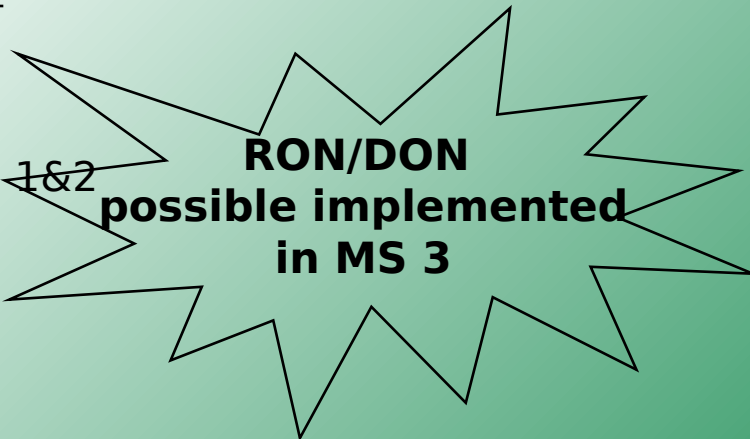
AMC Installations do not tie into a CTASC

Specific adjustments made at Field's request to minimize negative impacts.

As of 30 Dec 00

Milestone 1 & 2 Highlights

- **Preceded by Demo at 3 sites**
- **Converting retail AWCF & limited OMA Retention stocks**
- **65 AWCF-SMA RICs, 55 Installations/Sites**
- **14 ARNG Maintenance Sites**
- **Financial Conversion, closing of Retail General Ledger accounts**
- **Logistics Conversion (Decap/Cap into CCSS)**
- **Interim SSF architecture**
 - SSF switch on/off
 - RON-DON suspended
 - CCSS handles partial issues
- **Shared CTASC parameters**
- **Penetration rules**
 - National Manager can penetrate RO for IPG 1&2



**RON/DON
possible implemented
in MS 3**

Summary

- **SSF is an Army-wide business process to streamline logistics and financial processes**
- **Enables us to see our inventories more completely, manage smarter and capture costs with greater clarity**
- **SSF is substituting distribution velocity and precision for “iron mountains” of spares and components**
- **You are the key to ensuring success**
- **A Revolution in Military Logistics is here**

How to Contact Us

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